

BACKGROUND

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The Organic Alternative:

Slovenia, the European Union, and the
Debate over Sustainable Agriculture

by John Feffer[†]

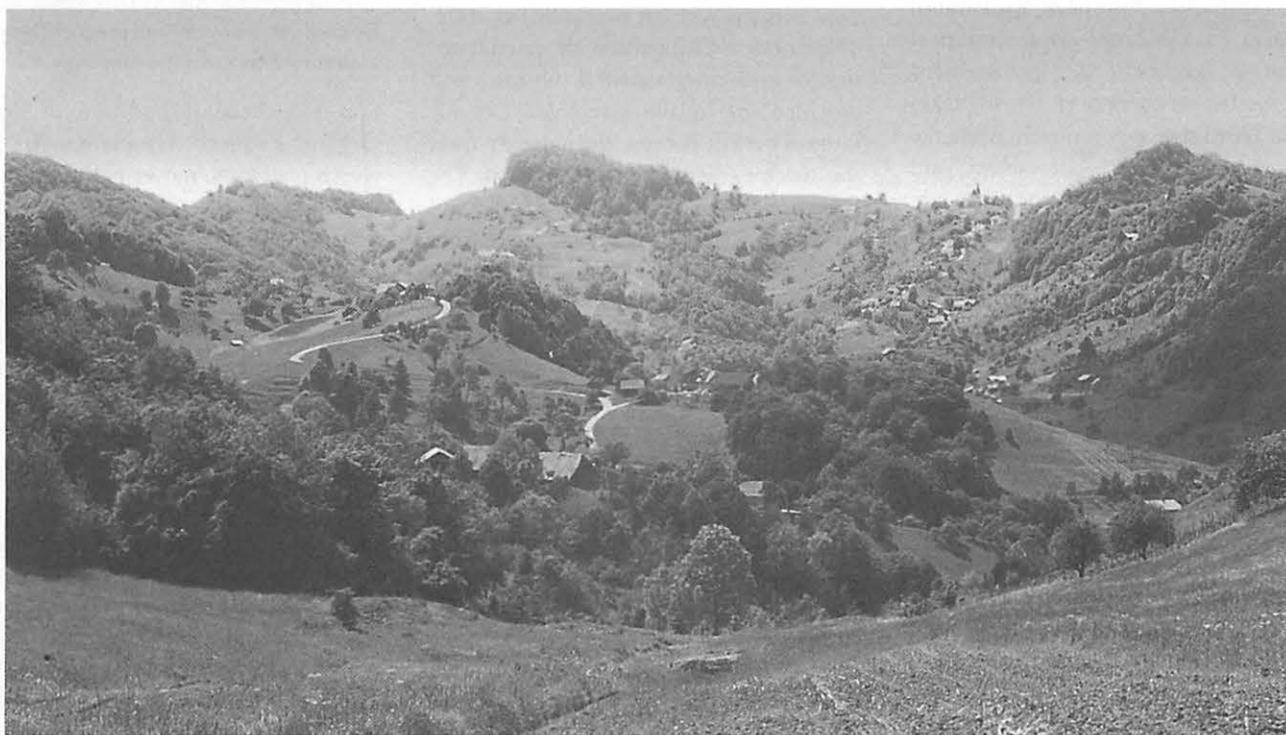


PHOTO: Anamarija Slabe

View from an organic farm, Slovenia.

"There is no other way for Slovenian agriculture except sustainable agriculture."

—MARTA HRUSTEL MAJČEN,
STATE UNDERSECRETARY OF AGRICULTURE, FORESTRY, AND FOOD, REPUBLIC OF SLOVENIA¹

Slovenia might seem like the merest thorn in the side of agribusiness. It is a small, mountainous country on the western edge of the Balkans, half-covered in forest and without much arable land. Only 6 percent of the population of 2 million is involved in agriculture.² The average farm is only 5.5 hectares,³ a far cry from the U.S. average of approximately 176 hectares⁴ or even the European Union (EU) average of 18 hectares.⁵

But Slovenia, which became a member of the EU in May 2004, may have an outsized impact on European agriculture. Last year, Slovenian organic farmers and their counterparts in four neighboring provinces of Austria (Carinthia, Styria) and Italy (Friuli-Venezia-Giulia, Veneto) declared what they hope will become a showcase for organic farming: the world's first organic bioregion. Government ministers from the areas involved have endorsed the plan. The members of this new "Alpe-Adria" bioregion have declared themselves free from all genetically modified organisms (GMOs), and the initiative's planners are pushing organic farming

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as the future of agriculture. Coordinating marketing programs and attracting more eco-tourists to organic farms are also part of the vision.

As these farmers take aim at industrial agriculture, one significant potential ally is big, bureaucratic, and wealthy: the European Union itself.

Europe's Agricultural Strategy

If agriculture were a boxing ring, Europe and the United States would be locked in a heavyweight bout for market domination. Despite some similar tactics—such as using massive subsidies to effectively undercut agriculture in the developing world—the two contenders have very different approaches. European agricultural subsidies have a large environmental component while the U.S. government favors the largest operators.⁶ The EU takes organic agriculture very seriously while the U.S. government ignores the subject. And Europe has adopted a cautious attitude toward GMOs, while the U.S. is blazing full speed ahead with bioengineering.

2 In 2003, this transatlantic battle moved to the World Trade Organization (WTO), where the U.S. is arguing that Europe's cautious approach to GMOs constitutes a barrier to trade. Although the EU lifted its ban on new GMOs in 2004, the U.S. has refused to withdraw the WTO challenge, and is considering a second suit over Europe's new regulations on labeling GM products and implementing a rigorous system of traceability. A U.S. victory would anger Europeans, most of whom consider GMOs dangerous and more than 90 percent of whom want to know exactly what they're eating.⁷

Meanwhile, the EU's proactive approach to organic agriculture is bearing fruit. According to the *European Action Plan for Organic Food and Farming*, released in early June 2004 by the Commission of the

European Communities, organic farming is at the heart of an EU effort to produce more "environmentally friendly, quality products." Land under organic cultivation in the EU rose rapidly, from 1 percent in 1995 to nearly 3.5 percent in 2002, an annual increase of nearly 30 percent.⁸ Italy and Austria are rapidly approaching 10 percent organic in terms of total agricultural land.⁹ Consumer demand—particularly for dairy products and baby foods—is behind the 8 percent annual growth rate in the organic food retail sector.¹⁰ In the United Kingdom, seven of the top supermarket chains are supporting a massive increase in organic farming and organic sales.¹¹

This growth is also driven by EU institutions' attention to organic agriculture, which is part of the EU's Common Agricultural Policy (CAP), last overhauled in 2003. These newest CAP reforms increased funding for agri-environmental subsidies and provided new "quality incentives." Organic farmers benefit because they already meet the stricter environmental standards. The CAP delinked subsidies from agricultural production, heralding a shift away from price supports and toward investments into improving land and livestock, another potential boost for organic farmers. Incentives that cover the period of conversion to organic cultivation and scrapping mandatory land set-asides for organic farmers will further encourage growth in the organic sector.¹²

The EU has poured money into research programs such as the multifaceted research agenda of the European Network for Scientific Research Co-ordination in Organic Farming (ENOF) and a recently announced study at England's University of Newcastle that will compare the taste and nutritional quality of organic and conventional foods.¹³ And the EU has concluded that organic farming does less damage to the environment and biodiversity, does a better job of protecting the soil, and ensures a higher quality of animal welfare for livestock.¹⁴

The 2004 Action Plan proposes to promote organic agriculture in the EU by encouraging the purchase of organic food by large-scale kitchens such as in hospitals, schools, and staff cafeterias; disseminating information across the EU on the virtues of organic farming and food; applying more widely the EU logo for organic foods that was

introduced in 2000; and strictly excluding GMOs from organic products.

But the EU has by no means turned entirely Green. While Europe and the U.S. battle for control of agricultural markets around the world, a less visible struggle is taking place *within* Europe, over the future of European agriculture. And Slovenia, at the edge of the new Europe, is one of the primary battlegrounds.

Going Organic in Slovenia

Boris Fras is proud of his grape vines. The leaves, he points out, are light green, not the dark green color caused by chemical fertilizer. His fields do not leach dangerous residues into the land, the groundwater, or the nearby sea. Conventionally cultivated vines start to give out after twenty years, he says. By contrast, his vines will produce for at least a century. Fras takes the long view.¹⁵

Fras is the head of the Union of Slovenia Organic Farmers' Association (USOFA), which is a prime mover behind the Alpe-Adria bioregion. USOFA has presided over a tremendous increase in organic farming in Slovenia, from a mere 41 farms in 1998 to over 1,400 five years later.¹⁶ While the percentage of agriculture in Slovenia devoted to organic cultivation is roughly equivalent to the EU average of 3.3 percent, back in 1998 it hadn't even broken 0.1 percent.¹⁷

One reason for this expansion is the commitment of the Slovenian government to more environmentally benign farming. In 2001, the Ministry of Agriculture, Forestry and Food introduced the Slovenian Agri-Environmental Programme (SAEP), which attempts to preserve the country as a "garden of Europe."¹⁸ The program links sustainable agriculture to environmental protection and, by extension, to the tourism that Slovenia is increasingly banking on. These links matter greatly in Slovenia because farming takes place in some of the country's most beautiful, biodiverse areas—in the mountains, the national parks, and the limestone cave-laced regions known as *karst*. Today's farmers are building on a legacy of stewardship that has made Slovenia such a green haven. "If farms didn't farm sustainably, that land wouldn't have been protected. We wouldn't have these natural areas today," says Marta Hrustel Majcen of the Ministry of Agriculture.



Slovenia's
organic label.



PHOTO: Anamarija Slabe

A Slovenian organic farmer in her field.

Through SAEP, which is modeled on a similar EU program, livestock producers receive support to reduce flock density and prioritize indigenous breeds. Subsidies help farmers prevent soil erosion in alpine areas and in the karst, preserve traditional approaches to farming, mow steep slopes, follow crop rotation techniques, and preserve the habitats of large carnivores and rare species of birds. Some SAEP funds are earmarked explicitly for organic farmers.

The market, too, is sending encouraging signals to organic farmers. Though at the moment imports continue to meet Slovenes' burgeoning demand for organic foods, local producers may have an advantage: according to research sponsored by USOFA, Slovenes favor foreign products—except in the case of food.¹⁹ Organic products are now available in Slovenian supermarkets, and organic producers do brisk business at the farmers' market in the capital city of Ljubljana.

Organic farming is not, however, the chief focus of Slovenian government initiatives, which emphasize improvements in conventional agriculture under the general rubric of "integrated production." Integrated farming incorporates good agricultural practices such as choosing pest-resistant varieties, using nonchemical plant protection when possible, and following optimal crop rotations. "All farming should have good agricultural practices. But this should not be promoted as sustainable agriculture," says Anamarija Slabe, an agronomist with the Ljubljana-based Institute

for Sustainable Development. Integrated production—which may use chemical fertilizer, for example—falls short of the rigorous requirements of organic farming, she explains.²⁰ Organic farmers are angry that the Slovenian government has introduced a label for the products of integrated farming that is nearly identical to the organic label.

Slovenia's participation in the Alpe-Adria organic bioregion, then, is one part pragmatism (Slovenia has no other choice than sustainable agriculture) and one part dream (of a future where organic farming is the dominant rather than the quirky approach). But in Slovenia, as in other countries, agricultural ministers and organic farmers may be sharing a single bed while dreaming somewhat different dreams.

An Organic Future?

As part of an EU-funded research project, Slovenia's Institute for Sustainable Development is interviewing organic farmers on what they expect will happen as a result of the country's recent entrance into the EU. "Farmers are pessimistic," Anamarija Slabe says. "They don't think farming will do so well in the EU. But when asked about organic farming, they think it will have better results." Slovenia's conventional farmers face declining prices for food and reduced EU subsidies. But organic farmers can still benefit from growing agri-environmental subsidies and rising consumer demand.

In the best-case scenario, the Alpe-Adria organic bioregion will become increasingly

formalized through joint programs, the exchange of knowledge, coordination of marketing, and the requisite infrastructure of employees and offices. Slabe, while still cautious about her own government's commitment to the plan, wants farmers to work toward a common action plan with basic goals, such as reaching 10 percent organic for the whole region in the next five years.

Certain obstacles stand in the way of this best-case projection. Organic advocates, although generally pleased with the EU's Action Plan, are furious with the European Commission's plan to accept a 0.3 to 0.5 percent threshold for unintended presence of GMOs in non-GM seed. The organic community supports a 0.1 percent threshold and is worried that contamination by GM crops and seeds will undermine the whole concept of organic farming.²¹

Even if GMOs are controlled, the rosy estimates of a growing organic movement—30 percent by 2010?—may hit a wall. At the moment, though organic products are generally twice the cost of conventional ones, demand outstrips supply.²² Consumer interest in organic produce may plateau, however, as memories of mad cow disease and other fiascos fade. Without an expanding market, conventional farmers will be reluctant to go organic.

For Slovenia, there is an additional challenge of competition from other new and soon-to-be EU members. The Czechs have more land under organic cultivation. And Bulgaria, which may join the EU as early as 2007, has also set its sights on filling the organic niche.²³

In the end, though, the challenges facing the organic movement in Slovenia, and Europe more generally, pale in comparison to the challenges faced by conventional agriculture. Consumers have not had to pay the true cost of their food for many decades. If the costs of despoiled land, shrinking water supplies, generous government subsidies, and the health consequences of pesticide and fertilizer use (for consumers and farmers both) were factored into the price of that tasteless beet in the supermarket, the average consumer would likely choose the locally grown organic beet in a heartbeat. Slovenia has embraced sustainable agriculture because of its geography. Facing major producers like the U.S., Canada, and Argentina, Europe is rapidly coming to the same conclusion.

Notes

1. Interview with Marta Hrustel Majcen, Ljubljana, Slovenia, June 9, 2004.
2. Anamarija Slabe, "Slovenia: Building an environmentally friendly agriculture," *Ecology and Farming*, IFOAM, May-August 2003, p. 30.
3. Ibid.
4. "United States State Fact Sheet," Economic Research Service, United States Department of Agriculture, 2002 figures; <http://www.ers.usda.gov/statefacts/US.HTM>
5. "European Union: Basic Information," Economic Research Service, United States Department of Agriculture, 1997 figures; <http://www.ers.usda.gov/Briefing/EuropeanUnion/basicinfo.htm>
6. For a comparison of the agricultural subsidies that the WTO includes in the "Green Box" as environmental payments — the EU around 20 percent of total subsidies, the United States at around 1 percent — see Dimitris Diakosavvas, "The Greening of the WTO Box," paper given at the conference *Agricultural Policy Reform and the WTO: Where Are We Heading?* June 23–26, 2003, p. 7; <http://www.ecostat.unical.it/2003agtradeconf/Contributed%20papers/Diakosavvas.PDF>
7. See, e.g., 2001 Eurobarometer poll results at: <http://europa.eu.int/comm/research/press/2001/pr2312en.html>
8. "European Action Plan for Organic Food and Farming," Commission of the European Communities, June 10, 2004, p. 7.
9. Ibid, p. 7.
10. "First Global Meeting of Organic Agriculture Producers and Seed Industry to Discuss Issues of Organic Seed Production, Quality, Certification and Market Access," Food and Agricultural Organization, July 5, 2004.
11. The supermarkets, for instance, support the increase of organic farming to 30 percent of total agricultural land by 2010. See Stephan Dabbert, Anna Maria Haring, and Raffaele Zanolli, *Organic Farming: Policies and Prospects* (London: Zed, 2004), p. 26.
12. "CAP review to prompt rise in organic farming, says expert," *Irish Times*, July 21, 2004.
13. "Organic Food Taste Study," *Farmers Guardian*, June 25, 2004; "Organic Farming Research in the EU: Towards 21st Century," *ENOF White Book*, 1999.
14. This is the general conclusion of the EU Action Plan. One source of this assessment is M. Stolze, Anna Maria Haring, and Stephen Dabbert, "The Environmental Impact of Organic Farming in Europe" in *Organic Farming in Europe: Economics and Policy*, Vol. 6 (Stuttgart-Hohenheim: University of Hohenheim, 2000).
15. Interview with Boris Fras, Koper, Slovenia, June 9, 2004.
16. 2003 figures for number of organic farms from communication with Anamarija Slabe, July 28, 2004.
17. The percentage of utilizable land in Slovenia under organic cultivation or being converted to organic is now at 4.4 percent, according to 2003 figures. EU-wide figures for 2003 are not yet available.
18. Information on SEAP comes from "Slovene Agri-Environmental Programme, 2001–2006" Ministry of Agriculture, Forestry and Food, Republic of Slovenia, 2001.
19. Interview with Marjana Dermelj, Ljubljana, Slovenia, June 8, 2004.
20. Interview with Anamarija Slabe, Ljubljana, Slovenia, June 10, 2004.
21. "Labelling threshold plea from organic producers," *Farmers Guardian*, April 2, 2004.
22. On demand for organics in Europe, see Bertil Sylvander and Aude Le Floc'h-Wadel, "Consumer Demand And Production Of Organics In The EU," *AgBioForum*, Vol 3 (no. 2 and 3), 2003; <http://www.agbioforum.org/v3n23/v3n23a05-sylvander.htm>
23. "Organic food: Hearing on the Action Plan for 'Niche' Organic Farming," Food and Agriculture Organization, January 22, 2004.

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